

Prepared By and Return to:

*gm*  
J. William Pierce, Jr.  
Glankler Brown, PLLC  
6000 Poplar Avenue, Suite 100  
Memphis, Tennessee 38119  
(901) 685-1322

Indexing Instructions:

NW ¼ of Section 33,  
T1S, Range 5W

### MODIFICATION AND EXTENSION AGREEMENT

THIS MODIFICATION AND EXTENSION AGREEMENT is entered into as of the 10th day of March, 2009, by and between KEITH AND DAVID GRANT HOMES, LLC, a Tennessee limited liability company ("Borrower"), SUNTRUST BANK ("Bank"), KEITH GRANT and DAVID GRANT (collectively, "Guarantors").

#### WITNESSETH:

WHEREAS, on the 16th day of January, 2008, Grant executed a Promissory Note (the "Note") in the principal sum of One Million Five Hundred Sixty-Five Thousand One Hundred Forty-Two and 81/100 Dollars (\$1,565,142.81) payable to the order of Bank, secured by a Land Deed of Trust (the "Deed of Trust") of even date therewith executed by Borrower and conveying to R. Grattan Brown, Jr. and Charles A. Neale, Trustees, for the benefit of Bank certain real property (the "Property") located in the County of DeSoto, State of Mississippi, as more particularly described in the Deed of Trust, which was recorded in Book 2,848, Page 538 in the Chancery Clerk's Office of DeSoto County, Mississippi; and

WHEREAS, the parties by means of this Instrument desire to modify the terms of the Note and extend the maturity date of the Note and extend the lien of the Deed of Trust, without, however, releasing or affecting the priority of the Deed of Trust;

NOW, THEREFORE, FOR MUTUAL CONSIDERATIONS, the receipt and sufficiency of

which are hereby acknowledged, the parties agree as follows:

1. Acknowledgement of Debt. It is hereby acknowledged that the outstanding principal balance under the Note is \$1,422,857.00.

2. Modification of Note – Interest Rate Adjustment. It is agreed that the Note is hereby modified to adjust the Rate (as defined in the Note), effective as of the date hereof, to three percent (3.0%) per annum in excess of the thirty (30) day LIBOR Rate (hereafter defined), which rate shall be adjusted on the first business day of each month after the date of this Agreement until Maturity (hereafter defined) to correspond to the LIBOR Rate which is published or determined on the date of adjustment. As used herein, "LIBOR Rate" shall mean the London Interbank Offered Rate for U.S. Dollar-denominated interbank obligations in the London, England market for such thirty (30) day period, quoted as of 11:00 A.M. London time. Bank may determine the LIBOR Rate from TELERATE or any other generally recognized financial reporting service.

3. Modification of Note – Interest Payment Schedule. The Note is hereby modified to change the interest repayment schedule as follows:

accrued interest under the Note shall be due and payable commencing on April 10, 2009, and continuing thereafter on the same day of each consecutive month until and including March 10, 2011 ("Maturity"), at which time the entire remaining principal balance of the Note plus all accrued interest shall be due and payable in full;

4. Modification of Deed of Trust. The Deed of Trust is hereby modified to reflect the changes in the Note as stated above and to extend the lien thereof. All references in the Deed of Trust to the Note or the indebtedness secured thereby shall henceforth be deemed to refer to the Note as herein modified.

5. Incorporation of Loan Commitment. Reference is hereby made to that certain Loan Commitment dated February 18, 2009 from Bank to Borrowers (the "Loan Commitment") which is

BB  
KH

attached hereto as Exhibit A and the terms of which are incorporated herein by reference. The parties hereto agree that the terms and conditions of the Loan Commitment shall survive the execution and delivery of this Agreement.

6. Joinder of Guarantors. The Guarantors join in execution of this Agreement for the purpose of consenting to the modification and extension of the Note and Deed of Trust. The guaranties of the Guarantors shall continue in full force and effect for the benefit of Bank with respect to each Guarantor's obligations therein for repayment of the Note. The guaranties are not released, diminished or impaired in any way by the extension of Maturity of the Note and the guaranties are hereby ratified and reaffirmed in all respects.

7. Counterpart Signatures. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

8. Reaffirmation of Obligations. All terms and provisions of the Note and Deed of Trust not herein specifically modified or amended shall remain in full force and effect and are hereby reaffirmed by the parties hereto. The execution and delivery of this Agreement does not constitute payment, cancellation, satisfaction, discharge, release, extinguishment or novation of the principal indebtedness evidenced by the Note.

Handwritten signature and initials, possibly "KG", in the bottom right corner.

IN WITNESS WHEREOF, this Agreement is executed as of the day and year first above written.

KEITH AND DAVID GRANT HOMES, LLC,  
a Tennessee limited liability company

By: Keith Grant  
Keith Grant, Chief Manager

By: David Grant  
David Grant, Secretary

SUNTRUST BANK

By: Justin Worley  
Justin Worley, Vice President

GUARANTORS:

Keith Grant  
Keith Grant  
David Grant  
David Grant

STATE OF TENNESSEE  
COUNTY OF SHELBY

Before me, a Notary Public in and for said State and County duly commissioned and qualified, personally appeared KEITH GRANT with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Chief Manager of KEITH AND DAVID GRANT HOMES, LLC, the within named bargainer, a limited liability company, and that he as such Chief Manager being authorized so to do, executed and delivered the foregoing instrument for the purposes therein contained, by signing the name of the bargainer by himself as Chief Manager.

Witness my hand and official seal at office this 10 day of March, 2009.



Michael O. Christoff  
Notary Public

ND: 4852-7556-5827, v.

Ⓟ  
K8

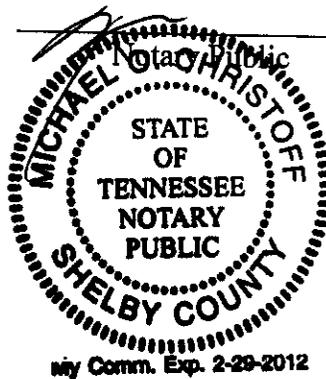
My Commission Expires:

STATE OF TENNESSEE  
COUNTY OF SHELBY

Before me, a Notary Public in and for said State and County duly commissioned and qualified, personally appeared DAVID GRANT with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Secretary of KEITH AND DAVID GRANT HOMES, LLC, the within named bargainor, a limited liability company, and that he as such Secretary being authorized so to do, executed and delivered the foregoing instrument for the purposes therein contained, by signing the name of the bargainor by himself as Secretary.

Witness my hand and official seal at office this 10 day of March, 2009.

My Commission Expires



STATE OF TENNESSEE  
COUNTY OF SHELBY

Before me, a Notary Public in and for said State and County duly commissioned and qualified, personally appeared JUSTIN WORLEY with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Vice President of SUNTRUST BANK, the within named bargainor, and that he as such Vice President being authorized so to do, executed and delivered the foregoing instrument for the purposes therein contained, by signing the name of the Bank by himself as Vice President.

Witness my hand and official seal at office this 10<sup>th</sup> day of March, 2009.

My Commission Expires:



MY COMMISSION EXPIRES  
ON 4/28/2010

JWP-L

Notary Public

Ⓞ  
Kd

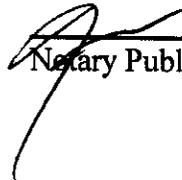
STATE OF TENNESSEE  
COUNTY OF SHELBY

On the 10 day of March, 2009, personally appeared before me, KEITH GRANT, to me known to be the person (or proved to me on the basis of satisfactory evidence) who executed the foregoing instrument, and acknowledged that he executed and delivered the same as his free act and deed on the day and year therein mentioned.

Given under my hand and seal of office.

My Commission Expires \_\_\_\_\_



  
\_\_\_\_\_  
Notary Public

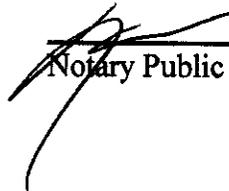
STATE OF TENNESSEE  
COUNTY OF SHELBY

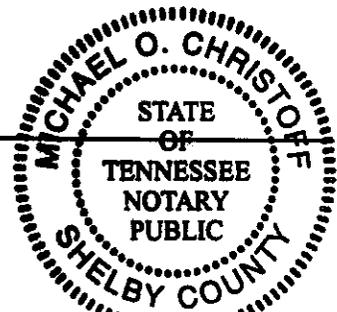
My Comm. Exp. 2-29-2012

On the 10 day of March, 2009, personally appeared before me, DAVID GRANT, to me known to be the person (or proved to me on the basis of satisfactory evidence) who executed the foregoing instrument, and acknowledged that he executed and delivered the same as his free act and deed on the day and year therein mentioned.

Given under my hand and seal of office.

My Commission Expires:

  
\_\_\_\_\_  
Notary Public



My Comm. Exp. 2-29-2012

BORROWER AND GUARANTORS PHONE NUMBER:  
(901) 854-0525

BANK'S PHONE NUMBER:  
(901) 681-4142





Justin Worley  
Vice President  
Commercial Real Estate

SunTrust Bank  
999 S. Shady Grove  
Suite 210  
Memphis, TN 38120  
Tel 901.681.4142  
Fax 901.681.4159

February 18, 2009

Keith and David Grant Homes, LLC  
c/o Keith and David Grant  
177 Crescent Drive  
Collierville, TN 38017

Dear Keith and David:

The following is a commitment for construction/acquisition loans on specified lots in Kyle's Creek, Sterling Place, and Elpine Grey subdivisions. This commitment is based on the terms and conditions outlined below:

**Acquisition Loans**

**Borrower:** Keith and David Grant Homes, LLC/ L1 Properties

**Loan Amount:** \$4,156,857 (89 Lot Loans)

- Sterling Place - \$1,750,000 (35 lots)
- Elpine Grey - \$984,000 (24 lots)
- Kyle's Creek - \$1,422,857 (30 lots) (Keith and David Grant Homes, LLC only)

**Pricing:** One Month Libor + 3.00% Floating Interest only payments to be paid monthly

**Term:** 24 month renewal based on performance of curtailment requirements

**Guaranty:** Keith Grant -- 100%  
David Grant -- 100%

**Expenses:** Borrower will be responsible for all of the costs, fees, and expenses associated with this closing

**Appraisal:** An acceptable appraisal for 30 lots in Kyle's Creek, 25 lots in Elpine Grey, and 35 lots in Sterling Place subdivisions was ordered in December 2008. Lots were appraised to find the discounted value. Borrower will be responsible for cost of the appraisals. The total cost of the appraisals is \$7,250 due at closing.

**Interest Reserve:** Borrower is required to place 24 months of interest reserve into a SunTrust Deposit account. Funds may be available for monthly interest payment. The interest amount equals \$345,890.70. The interest reserve is calculated based on a 15 lots reduction in the first year.

**Curtailment Schedule:** A total of 30 lots will be reduced / sold over a two year time period.

- Year One - Minimum of 15 lots reduced/sold of which six must be met by June 30, 2009.
- Year Two -- Minimum of 15 lots reduced/sold of which six must be met by June 30, 2010.

Ⓢ  
KJ

**Construction Loans**

**Borrower:** Keith and David Grant Homes, LLC

**Loan Amount:** \$2,259,234.60  

- Sterling Place - \$622,534
- Elpine Grey - \$724,605
- Kyle's Creek - \$912,095.60

**Pricing:** One Month Libor + 3.00% Floating Interest only payments to be paid monthly. Existing loans will maintain current pricing (Prime - .60%) until maturity.

**Term:** 12 months

**Origination Fee:** 0.50% for each new construction loan for vertical improvements. An origination fee will not be charged on lots 102 and 118 in Sterling Place subdivision.

**Guaranty:** Keith Grant - 100%  
David Grant - 100%

**Expenses:** Borrower will be responsible for all of the costs, fees, and expenses associated with this closing

**Appraisal:** Appraised values will be based on existing master appraisals; loan amounts not to exceed 80% loan to value

**Global Spec Limit:** Borrower will not exceed 25 specs construction loans. Bank will continue to replace specs on a one for one basis. Bank will provide construction loans for pre-sales houses with a valid sales contract approved by bank but not to exceed global spec limit. Borrower may start construction on a new spec replacing a pending home sale with a valid sales contract approved by bank. The following outline provides the current commitments in the specified communities:

- Sterling Place - One Model & Four Specs
- Elpine Grey - One Model & Four Specs
- Kyle's Creek - One Model & Four Specs

Please let me know if you have any questions.

Sincerely,  
  
Justin Worley  
Agreed and Accepted on <sup>MARCH</sup> 10 February 2009. 

  
Keith Grant

  
David Grant

